



City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: September 2, 2025

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To: Honorable Mayor and City Councilmembers
From: City Attorney Alex Mog
Interim City Manager Mary Gourley
Responsible Department: Administrative Services
Subject: Agreement with City of Sebastopol and Sebastopol Chamber of Commerce for Delegation of Certain Duties to the Sebastopol Chamber of Commerce for the purposes of specific use of funding received from the Business Improvement District and Repealing Resolutions Inconsistent Therewith.

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RECOMMENDATION:

That the City Council approve Resolution approving Agreement with City of Sebastopol and Sebastopol Chamber of Commerce for Delegation of Certain Duties to the Sebastopol Chamber of Commerce for the purposes of specific use of funding received from the Business Improvement District and Repealing Resolutions Inconsistent Therewith.

EXECUTIVE SUMMARY:

The City of Sebastopol previously entered into an agreement with the Sebastopol Downtown Association (SDA) to perform certain duties related to downtown promotions, business engagement, and special event coordination. With the SDA no longer active, the Sebastopol Chamber of Commerce has agreed to assume these responsibilities under the same terms and conditions. This resolution formally transfers the agreement and ensures continuity of services to the business community.

PROCESS OF AGENDA ITEM:

1. If item remains on consent, no presentation of item is required. Item would be approved as a consent calendar item.
2. If item is removed from the consent calendar; item would be placed at the end of the regular agenda items for discussion following the process below:
 - a. Presentation of agenda item by the City Attorney
 - b. Questions and discussion from Councilmembers
 - c. Public comment period
 - d. Council deliberation and motion

BACKGROUND:

A Business Improvement Assessment District (BIA) is a legally established area in which businesses agree to pay an additional assessment to fund services, programs, or improvements that directly benefit the district.

The City of Sebastopol's Business Improvement District is shown in Attachment 1. Assessment funds are collected by the Administrative Services Department (Finance) annually by the City through the business license process and transmitted to the designated agreement holder responsible for carrying out the Business Improvement Assessment's purposes.

DISCUSSION:

The City previously entered into an agreement with the former Sebastopol Downtown Association (SDA) to support downtown business activities, including holiday events, merchant coordination, and promotional efforts. However, the



City of Sebastopol

Sebastopol Downtown Association (SDA) no longer has a non profit status; therefore cannot fulfill its obligations under the current agreement.

In coordination with City staff, the Sebastopol Chamber of Commerce has expressed willingness to assume these responsibilities. The Chamber maintains strong relationships with the business community and has demonstrated capacity to manage and disburse BIA funds in accordance with the attached agreement.

Per the agreement and applicable law, BIA funds may be used for the following purposes:

- A. Acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
- B. Decoration of public places within the District;
- C. Promotion of public events in public spaces within the District;
- D. Furnishing of music in public spaces within the District;
- E. Promotion of business activities within the District; and
- F. Any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council.

To ensure continuity, accountability, and representation, the Chamber will be required to form a subcommittee of former SDA-affiliated members. This subcommittee will be responsible for developing and administering an annual budget for the use of BIA funds. The budget will be submitted to the City Council for review and approval to ensure transparency and alignment with the purposes of the Business Improvement Assessment Area. The budget is proposed to be submitted to the City no later the first City Council meeting of February of each year, for the coming fiscal year to be submitted to the Council for their administrative review and approval.

The proposed resolution formally transfers the existing responsibilities from the former Sebastopol Downtown Association (SDA) to the Sebastopol Chamber of Commerce. This action ensures the continuation of business assessment activities and oversight of the associated funds.

STAFF (RESPONSIBLE DEPARTMENT) ANALYSIS:

The City Manager's Office recommends approval of the transition. The Sebastopol Chamber of Commerce is a longstanding partner in supporting businesses and can carry forward the intent of the original agreement with the oversight and transparency the City expects for use of the assessment funds.

CITY COUNCIL GOALS/PRIORITIES; AND/OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

Goal 4: HIGH PERFORMANCE ORGANIZATION

Restoring public trust

Improve Public Communications

This agenda item represents the General Plan as follows:

Policy EV 1-10: Encourage partnerships and collaboration between the City, the Sebastopol Chamber of Commerce, the Center for the Arts, Cittaslow Sebastopol, Sebastopol Entrepreneurs Project, the Downtown Association, other cities in the region, Sonoma County Economic Development Board, and various industry organizations in order to pursue regional economic development opportunities and improve relations with private industry.



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Action EV 1c: Continue to support the Chamber of Commerce, Cittaslow Sebastopol, and the Downtown Association in their efforts to promote and market Sebastopol as a location for business development and local and destination recreation that is consistent with the goals of the General Plan.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

As of the writing of this agenda item report, the City has not received public comment. If staff receives public comments following the publication and distribution of this agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting and will be posted to the city website.

FISCAL IMPACT:

There is no fiscal impact with approval of this item. City staff will transfer funds collected to the Sebastopol Area Chamber of Commerce.

RESTATED RECOMMENDATION:

That the City Council approve Resolution approving Agreement with Sebastopol Chamber of Commerce for Certain Duties to the Sebastopol Chamber of Commerce and Repealing Resolutions Inconsistent Therewith

OPTIONS:

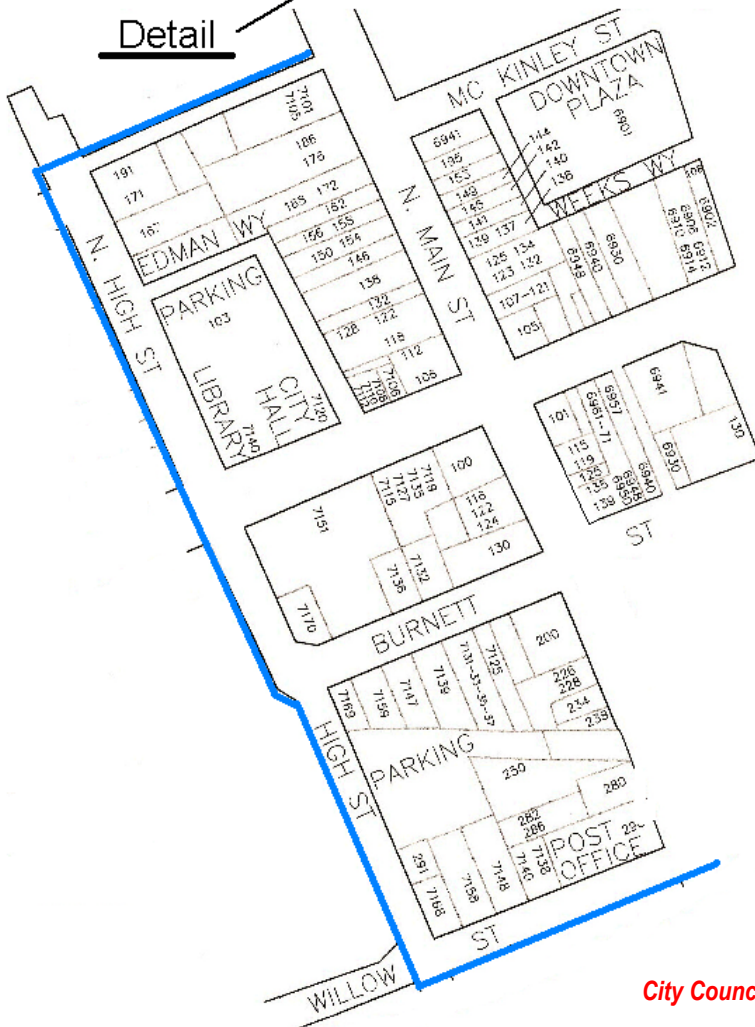
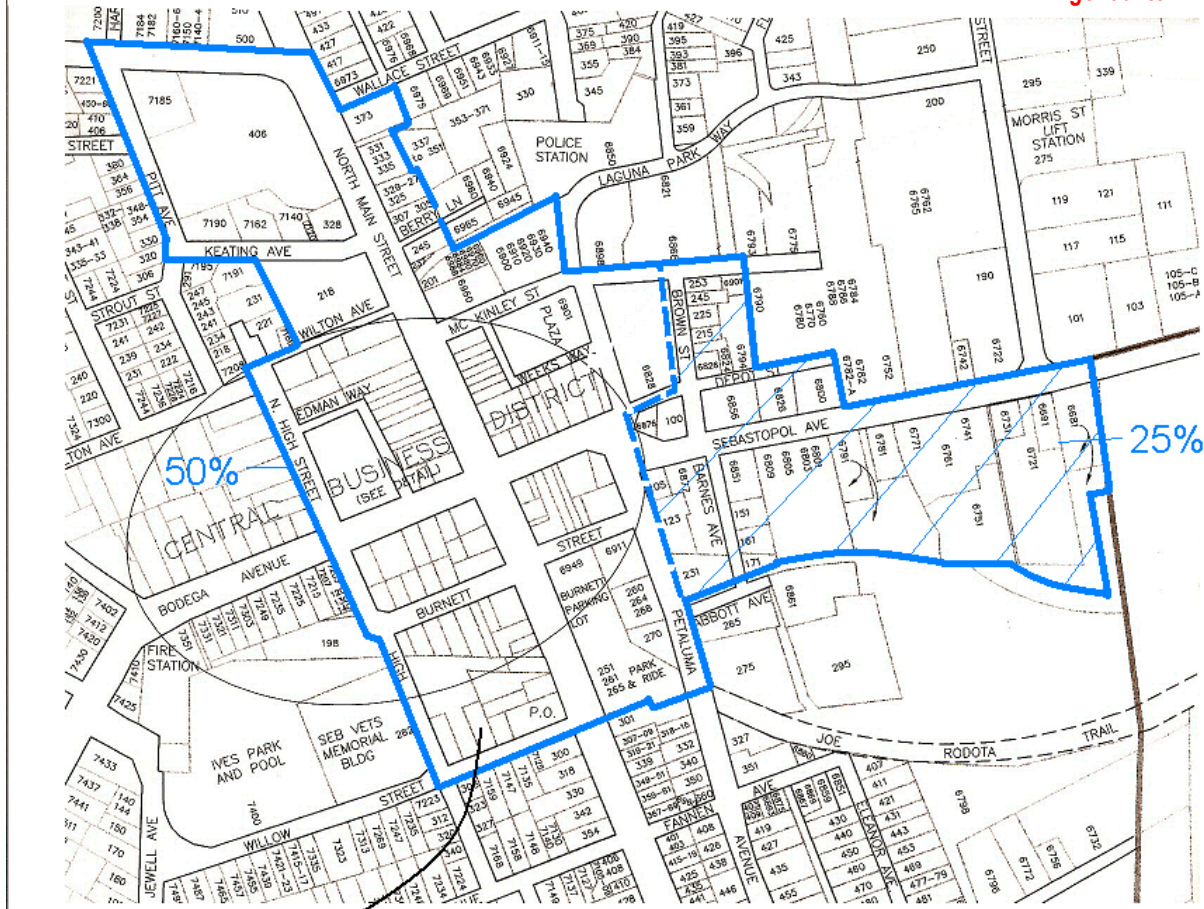
1. Deny the Agreement and provide further direction to staff. If item is removed from the consent calendar; item would be placed at the end of the regular agenda items for discussion.

ATTACHMENTS:

1. Sebastopol's Business Improvement District Map
2. Resolution
3. Agreement

APPROVALS:

Department Head Approval:	Approval Date:	8-20-2025
CEQA Determination (Planning):	Approval Date:	8-20-2025
The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA)		
Administrative Services (Financial):	Approval Date:	8-20-2025
Costs authorized in City Approved Budget: <input type="checkbox"/> Yes <input type="checkbox"/> No <u>XX</u> N/A		
Account Code (f applicable) _____		
City Attorney Approval:	Approval Date:	8-20-2025
City Manager Approval:	Approval Date:	8-20-2025



City of Sebastopol

BUSINESS IMPROVEMENT AREA

— Area Boundary

RESOLUTION NO. XXXX-2025

Resolution approving Agreement with City of Sebastopol and Sebastopol Chamber of Commerce for Delegation of Certain Duties to the Sebastopol Chamber of Commerce for the purposes of specific use of funding received from the Business Improvement District and Repealing Resolutions Inconsistent Therewith.

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WHEREAS, the City Council of the City of Sebastopol had adopted Ordinance No. 666 creating a business improvement district; and

WHEREAS, the City Council of the City of Sebastopol amended said Ordinance for the purposes of specific use of funding received from the Business Improvement District; and

WHEREAS, the City Council of the City of Sebastopol in 1987, delegated certain duties to the Downtown Association of Sebastopol relating to administration of these funds; and

WHEREAS, at that time, the Downtown Association delegated authority to the Sebastopol Area Chamber of Commerce for administration of said funds; and

WHEREAS, the Sebastopol Downtown Association was re-established in 2011 and since that time has been administrating the funds from the Business Improvement Area; and

WHEREAS, the City was informed that the Downtown Association's status of a non profit has been revoked effective December 2024, and the City wishes to delegate authority to the Sebastopol Area Chamber of Commerce for administration of said funds; and

WHEREAS, the City Council believes it is in the best interests of the City to re-delegate these advisory functions to the Sebastopol Area Chamber of Commerce.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol desires and requests that the City enter into an agreement for Delegation of Certain Duties to the Sebastopol Area Chamber of Commerce as listed in the agreement "Exhibit" which is attached to this resolution; and

BE IT FURTHER RESOLVED that any other resolutions inconsistent herewith are repealed upon the effective date of this Resolution.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 2nd day of September, 2025.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:

Noes:

Abstain:

Absent:

APPROVED: _____
Mayor Stephen Zollman

ATTEST: _____
Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM: _____
Alex Mog, City Attorney

**AGREEMENT BETWEEN
THE CITY OF SEBASTOPOL, A MUNICIPAL CORPORATION, AND THE
SEBASTOPOL AREA CHAMBER OF COMMERCE FOR THE MANAGEMENT OF THE
BUSINESS IMPROVEMENT DISTRICT FUNDS**

This Agreement is made between the City of Sebastopol, a municipal corporation, and the Sebastopol Area Chamber of Commerce, a Non Profit Organization, 501 (3) (6)

RECITALS

WHEREAS, Ordinance No. 666 established and defined a Business Improvement District; and

WHEREAS, pursuant to Ordinance No 666, the City collects a special charge from business owners in the Business Improvement District to be used for the promotion of, and improvement to, the Business Improvement District; and

WHEREAS, Ordinance 666 was amended to reduce use of said funds for specific purposes; and

WHEREAS, pursuant to Council Resolution 6019 adopted and approved at their meeting of January 6, 2015, the City Council wishes to designate an entity to carry out the business district improvement program; and

WHEREAS, subject to annual administrative review and approval by the City Council of the Sebastopol Chamber of Commerce budget requests, to be submitted to the City Council at the first City Council Meeting in February of each year, specifying the authorized activities and improvements to be undertaken with the assessments for the purpose of making general improvements in the Business Improvement District and solving problems of the Business Improvement District, including the:

- A. acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
- B. decoration of public places in the Business Improvement District;
- C. promotion of public events in public places in the Business Improvement District;
- D. furnishing of music in public places in the Business Improvement District;
- E. promotion of business activities in the Business Improvement District; and
- F. any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council
- G. The Chamber of Commerce shall create a sub-committee of appointed members who are within the former Sebastopol Downtown Association to develop and administer the budget for use of funds and shall submit that budget to the City Council for review and approval

WHEREAS, the Sebastopol Chamber of Commerce shall be representative of businesses in the Business Improvement District for utilization of said funds, and is qualified and willing to provide the services described herein; and

WHEREAS, the services to be performed by the Sebastopol Area Chamber of Commerce contribute to the economic and promotional well-being of the Business Improvement District.

NOW, THEREFORE, in consideration of the above conditions set forth in this Agreement, the City of Sebastopol and the Sebastopol Area Chamber of Commerce agree as follows:

EFFECTIVE DATE OF AGREEMENT:

This agreement shall be effective as of September 3, 2025 and shall continue for five years until September 3, 2030, unless terminated earlier in accordance with the terms of this Agreement.

OBLIGATION OF THE CITY OF SEBASTOPOL

The City of Sebastopol shall submit Business Improvement District Assessment funds to the Sebastopol Area Chamber of Commerce. The total payments provided each fiscal year to the Sebastopol Area Chamber of Commerce under this Agreement shall not, under any circumstances, exceed the amount of funds received through the collection of Business Improvement District assessment funds for the expenditures as authorized and approved by City Council in the Budget Report for each fiscal year.

City will disburse to the Sebastopol Area Chamber of Commerce the assessment funds received by the City of Sebastopol through the fees collected by the City of Sebastopol annually but no later than March 1st of each year the funds received to date; and then monthly thereafter any assessment fees received.

OBLIGATION OF THE SEBASTOPOL AREA CHAMBER OF COMMERCE

Sebastopol Area Chamber of Commerce shall maintain its active California non-profit corporate status and the membership shall include all businesses within the District holding current business tax certificates that have also paid the appropriate BID assessment.

The Sebastopol Area Chamber of Commerce shall submit an annual budget report to include an outline of the proposed improvements and activities within the Business Improvement District, as well as the estimated cost, by category, of providing those improvements and activities for Fiscal Year ("FY") 2025-2026, and for each subsequent fiscal year through the Term of this Agreement. The report shall be delivered to the City no later the first City Council meeting of February of each year, for the coming fiscal year to be submitted to the Council for their administrative review and approval.

The Sebastopol Area Chamber of Commerce shall prepare an Annual Report, summarizing the goals, accomplishments, and expenditures for each calendar year through the Term of this Agreement. The report shall be delivered to the City with the annual budget report and distributed to every business assessed in the District.

The Sebastopol Area Chamber of Commerce shall use Business Improvement District assessment funds doe items listed below and budget shall be approved for and listed in the City of Sebastopol City Budget.

- A. acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
- B. decoration of public places in the Business Improvement District;
- C. promotion of public events in public places in the Business Improvement District;
- D. furnishing of music in public places in the Business Improvement District;
- E. promotion of business activities in the Business Improvement District; and

- F. any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council
- G. The Chamber of Commerce shall create a sub-committee of appointed members who are within the Sebastopol Downtown Business Improvement Assessment District to develop and administer the budget for use of funds and shall submit that budget to the City Council for review and approval

INSURANCE REQUIRED

Sebastopol Area Chamber of Commerce shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation insurance, as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
(Not required if consultant provides written verification that it has no employees)
4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. A copy of the claims reporting requirements must be submitted to the City of Sebastopol for review. If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Sebastopol requires, and shall be entitled to, the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Sebastopol.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

The City of Sebastopol, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

General liability coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as one of the following ISO ongoing operations Forms: CG 20 10 or CG 20 26 or CG 20 33 (not allowed from subcontractors), or CG 20 38; and one of the following ISO completed operations Forms: CG 20 37, 2039 (not allowed from subcontractors), or CG 20 40.

Primary Coverage

For any claims related to this contract, the Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Sebastopol, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Sebastopol, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance.

Waiver of Subrogation

Consultant hereby grants to the City of Sebastopol a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Sebastopol by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Sebastopol has received a waiver of subrogation endorsement from the insurer. However, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Sebastopol for all work performed by the Contractor, its employees, agents, and subcontractors.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City of Sebastopol. The City of Sebastopol may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City of Sebastopol.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Sebastopol.

Verification of Coverage

Consultant shall furnish the City of Sebastopol with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City of Sebastopol before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Sebastopol reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance, meeting all the requirements stated herein, and Contractor shall ensure that the City of Sebastopol is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

The City of Sebastopol reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

No Political Activity. Sebastopol Area Chamber of Commerce shall not use and require its agents, officers, employees, or volunteers not to use, any of the funds received pursuant to this Agreement, or any personnel or material paid for with funds pursuant to this agreement, for political activity. The term "political activity" shall mean a communication made to any electorate in support of, or in opposition to, a ballot measure or candidate in any federal, state or local government election.

Open Meetings and Brown Act Compliance. The Sebastopol Area Chamber of Commerce shall comply with the Ralph M. Brown Act, California Government Code section 54950 et. seq. An agenda containing the date, time, and location of the meeting, and a general description of each item of business to be discussed or transacted, shall be posted in a place freely accessible to the public at least 72 hours prior to the meeting. The agenda shall also be sent to every member of the public requesting notification of the meetings, by facsimile, via the United States Postal Service, or electronic mail, at the time of the posting of the agenda.

California Public Records Act. Sebastopol Area Chamber of Commerce shall comply with the provisions of the California Public Records Act, codified in California Government Code sections 6250- 6270, for all documents and records pertaining to all matters in connection with this Agreement.

This Agreement represents the entire understanding of the City and Sebastopol Area Chamber of Commerce as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder.

All exhibits and attachments referenced in this Agreement are incorporated into the Agreement by this reference.

This Agreement shall not be modified, altered or amended unless the modification, alteration or amendment is in writing and signed by all parties to this Agreement.

Conflicts Between Terms. If an apparent conflict or inconsistency exists between the main body of this Agreement and the exhibits or attachments, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the exhibits or attachments, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

Neither the City nor Sebastopol Area Chamber of Commerce may unreasonably withhold or unreasonably delay any consent or approval required by this Agreement.

Whenever required under this Contract, City's consent or approval shall mean be written consent or approval of the Mayor of Sebastopol, or his/her designee, unless otherwise expressly provided. City's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided.

Each individual executing this Agreement on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Agreement is binding upon such person or entity in accordance with its terms. Each person executing this Agreement on behalf of another person or legal entity shall provide the City with evidence, satisfactory to the City that such authority is valid, and that such entity is a valid, qualified corporation, in good standing and qualified to do business in California.

All nonprofit corporations contracting with the City shall provide, within 30 days of execution of an agreement, a list of the names of all board members and their business affiliations. In the event that the board membership changes, the corporation shall provide the City with an updated list.

It is important for the City and its citizens to have confidence in the integrity of nonprofit corporations which contract with the City to administer programs, and which receive funding from or through the City.

This agreement is not intended to supersede, negate or otherwise invalidate any statute, ordinance or policy, but is intended to supplement existing authorities governing these subjects.

EXECUTED ON THIS 3RD DAY OF SEPTEMBER, 2025 BY THE FOLLOWING:

SEBASTOPOL AREA CHAMBER OF COMMERCE

CITY OF SEBASTOPOL

EXECUTIVE DIRECTOR
MYRIAH VOLK

MAYOR
STEPHEN ZOLLMAN

DATED: _____

DATED: _____